



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 600

FY-06-103

FOR IMMEDIATE RELEASE

DECEMBER 13, 2005

PSC ORDERS EMERGENCY AMENDMENT TO THE COLD WEATHER RULE

JEFFERSON CITY—A majority of the Missouri Public Service Commission today ordered an emergency amendment to its Cold Weather Rule that provides options for level payments throughout the year and lessens the financial requirements for those seeking reconnection.

“Record high wholesale natural gas prices have affected and will continue to affect the ability of some consumers to pay their monthly natural gas bills,” said PSC Chairman Jeff Davis. “It is imperative that the Commission take this action today in order to provide the most vulnerable customers in our state with additional means to keep their heat on this winter,” Davis said.

“It is also important that consumers realize and be prepared for continued high natural gas prices in the future. Prices today should not be viewed by consumers as simply a one-time spike. We don’t anticipate any significant downward movement in wholesale market prices in the short-term and consumers need to be prepared for the next winter and beyond,” Davis said.

The emergency amendment will apply to all local natural gas distribution companies that are under PSC jurisdiction. It will take effect on **December 26, 2005** and will expire on March 31, 2006 .

Under the emergency amendment:

- More lenient payment terms for reconnection of service or to avoid disconnection of service for nonpayment for those customers who defaulted on a previous Cold Weather Rule payment agreement. A customer can avoid being disconnected or can get service restored by making an initial payment of 50% up to \$500 of his/her outstanding balance and the customer beginning a new payment plan. Under the current rule, a utility company could require up to 80% of the outstanding balance;
- If a customer complies with his/her Cold Weather Rule payment plan, late payment and interest charges will be waived;
- Any customer, including those who may have arrears, can immediately enroll in a budget billing plan;
- A customer entering into a Cold Weather Rule payment plan and who complies with the terms of the plan, will be treated, on a forward going basis, as a customer who had never defaulted on a Cold Weather Rule payment plan;
- Any customer calling the natural gas company and indicating that he/she is having difficulty paying his/her bill, will be informed of all of their options under the emergency amendment; and
- Natural gas companies will be allowed to collect expenses associated with the emergency amendment.

“The price of natural gas has risen sharply throughout the fall to a new high level, requiring many households to spend a much higher percentage of their overall budgets on home heating than in

(more)

previous winters,” the Commission’s emergency amendment said. “As the heating season progresses, without this emergency relief, some customers will not be able to pay their bills in a timely manner, which may result in termination of heating service to their homes.”

The Office of the Public Counsel had asked the Public Service Commission to consider an emergency amendment to the Cold Weather Rule. Hearings on this issue were held by the Commission last week.

The Cold Weather Rule is designed to help customers with heat-related bills from November 1 through March 31 of each year. It has been a part of the Commission’s rules and regulations since 1977.

In addition to today’s emergency amendment, the Cold Weather Rule also:

- Prohibits the disconnection of heat-related service when the temperature is predicted to drop below 32 degrees during the following 24 hour period;
- Prohibits the disconnection of service for registered elderly and disabled customers who meet certain income guidelines and who make a minimum payment;
- Does not require a deposit if a payment agreement is kept; and
- Ensures that customers are given adequate notification of a proposed discontinuance of service.